

Message Text

PAGE 01 NATO 02035 121706Z

50

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-04 RSC-01 PRS-01 SP-03 USIA-15 TRSE-00

SAJ-01 SS-20 NSC-07 ABF-01 OMB-01 EB-11 DRC-01 ACDA-19

H-03 IO-14 /158 W

----- 058507

R 121625Z APR 74

FM USMISSION NATO

TO SECSTATE WASHDC 5178

SECDEF

SECCOM WASHDC

C O N F I D E N T I A L USNATO 2035

E.O. 11652: GDS80

TAGS: MCAP, EFIN, GW, NATO

SUBJ: BURDENSARING

REFS: A. USNATO 1973 B. USNATO 217 C. USNATO 218 D. USNATO
222 (NOTAL) E. STATE 023937

1. AS THE MISSION HAS POINTED OUT EARLIER (REFS B, C & D) LOWER
GROWTH RATES, INCREASING INFLATION, AND GROWING PRESSURE ON EUROPEAN
BALANCES OF PAYMENT DUE IN PART TO INCREASED PRICES OF ENERGY
IMPORTS ALL REPRESENT AN ADVERSE SHIFT IN THE ECONOMIC
PROSPECTS OF OUR ALLIES. ADDING TO THESE ECONOMIC FACTORS THE
WEAK POSITION OF EUROPEAN GOVERNMENTS AND THE PRESSURE FOR REDUCED
DEFENSE BUDGETS, IT IS CLEAR THAT CHANCES FOR NEGOTIATING FURTHER
BURDENSARING ARE NOT GOOD.

2. AS I UNDERSTAND IT, THERE MAY BE SOME QUESTION ABOUT THE WILLING-
NESS
OF CONGRESS TO ACCEPT AT LEAST TWO FEATURES OF THE GERMAN OFFSET
AGREEMENT UNDER JACKSON-NUNN: THE FULL VALUE OF LOANS (ABOUT ONE-
THIRD OF THE TOTAL OFF-SET), AND THE PERCENTAGE OF "REFLOW" CREDIT TO

CONFIDENTIAL

PAGE 02 NATO 02035 121706Z

THE US.

3. THE FIGURES NOW BEING USED BY THE NATO ECONOMIC DIRECTORATE IN ITS
CALCULATIONS OF PROCUREMENT BY OTHER ALLIES (REFTEL A) ARE MADE UP

IN LARGE PART OF ESTIMATES BASED ON ASSUMPTIONS AND ANTICIPATIONS WHICH MAY OR MAY NOT BE VALID. WHILE THE DIRECTORATE BELIEVES ITS ESTIMATES ARE CONSERVATIVE, THEY MAY TURN OUT TO BE MAXIMUM FIGURES. WE CANNOT AT THIS POINT RELY ON ALLIED PROCUREMENT BEING GREATER, AND IT COULD WELL BE LESS.

4. THERE IS LITTLE ROOM LEFT FOR FURTHER NEGOTIATIONS WITH OUR ALLIES.

ONCE SIGNED, THE US-FRG AGREEMENT WILL BE A FAIT ACCOMPLI AS REGARDS GERMANY, AND OUR OTHER ALLIES ARE NOT LIKELY TO DO MORE IN FY 1974 THAN

FULLY IDENTIFY THE MILITARY PROCUREMENT THEY WILL MAKE DURING FY 74. FROM MY PERSPECTIVE, THE MOST CRITICAL ACTION REQUIRED NOW IS TO CONSULT WITH CONGRESS TO OBTAIN SOME PRELIMINARY ASSURANCE OF THE ACCEPTABILITY FOR THE PURPOSES OF JACKSON-NUNN OF THE VARIOUS MEASURES

NEGOTIATED WITH THE FRG AND THE PROCUREMENT EFFORTS OF OUR OTHER ALLIES.

OUR AIM SHOULD BE TO OBTAIN MAXIMUM CONGRESSIONAL ACCEPTANCE OF THE BURDENSARING EFFORT OUR ALLIES ARE MAKING DURING A PERIOD ECONOMIC AND POLITICAL DIFFICULTIES FOR THEM ALL. WE SHOULD TRY TO WRAP UP THE OFFSET PACKAGES, IN A WAY THAT WE CAN THEN MAKE CLEAR TO CONGRESS, THE PUBLIC, AND TO THE MEMBERS OF THE ALLIANCE THAT THE BURDENSARING EXERCISE HAS BEEN SUCCESSFULLY CONCLUDED.

5. WHILE THE FOREGOING RELATES TO BURDENSARING IN BROAD CONTEXT, US MISSION CONTINUES TO BE GUIDED BY REF E CONCERNING COST SHARING FORMULAE FOR NATO BUDGETS, I.E. THE MILITARY AND CIVIL BUDGETS, THE US SHARE IN THE CENTRAL EUROPEAN PIPELINE SYSTEM DEFICIT, AND THE COST SHARING OF THE INFRASTRUCTURE PROGRAM. RUMSFELD

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 11 JUN 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ATO02035
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS80
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740482/abbryuix.tel
Line Count: 86
Locator: TEXT ON-LINE
Office: n/a
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. USNATO 1973 B. USNATO 217 C. USNATO 218 D. USNATO 222 (NOTAL) E. STATE 023937
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2002 by elyme>; APPROVED <04-Sep-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BURDENSARING
TAGS: MCAP, EFIN, GW, NATO
To: STATE
SECDEF
SECCOM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005